

**Summary of Seventeenth Negotiation Session on
New Water Supply Agreement**

Date of Session: March 22, 2004
Place: Santa Rosa Laguna Pumping Plant
Time: 9:00 AM – 11:30 PM

Parties Present and Represented:

Cities: Cotati, Petaluma, Rohnert Park, Santa Rosa, Sonoma and Windsor.
Special Districts: Sonoma County Water Agency, Forestville WD, Valley of the Moon WD, North Marin WD and Marin Municipal WD.

Attachment A contains complete list of attendees.

Status of Restructured Agreement Negotiations and Draft 2:

A document entitled “Recap of Tentatively Agreed Upon Actions and Resulting Changes to Language Contained in Draft 1 of the Restructured Water Supply Agreement” (Attachment B) was distributed. A hard copy of Draft 2 showing changes relative to the Eleventh Amended Water Supply Agreement was also distributed. Mr. Nelson then proceeded to review the changes made. While none of the parties had time to carefully review these documents, some points were raised during the review as follows:

Section 2.6 - Recycled Water and Local Supply Projects

Draft 2 expanded section language to include “studies and investigations”. Some of the contractors argued for keeping the use of these funds strictly for construction of such projects. The majority supported inclusion of the change.

Section 2.7 Water Management Planning

Re. “no liability clause” in last sentence, Santa Rosa suggests this be deleted. Santa Rosa’s attorney will discuss with Agency attorney Steve Shupe.

Section 3.1(a) - Delivery Entitlements of Water Contractors

Lee Harry of VOMWD again stated its need to augment its annual cap to realistically reflect its actual needs. Mike Martini, Santa Rosa, indicated he might have a solution.

Section 3.5 (a) – Shortage of Water and Apportionment

Re. Agency’s desire to include “environmental laws and regulations” in sentence 3, Petaluma’s attorney will discuss with Agency attorney Steve Shupe if concerns still remain.

Section 3.5 (b) re. headworks

Bifurcation of the headworks facilities and aqueduct system needs to be eliminated and both treated as one facility as it was in the Eleventh Amended Agreement. Mr. Poole agreed.

Section 3.5 (b) re. consideration of local recycled water efforts in allocation of water

In the last sentence that provides for consideration of water conservation and recycled efforts of Water Contractors, several contractors raised questions about inclusion of recycled water here and how it would work. North Marin was opposed to inclusion of recycled water and indicated incentives elsewhere in the agreement was the best way to handle.

Section 3.5 (d) – sub-branch shortage

Need to clarify that in case of shortage of capacity on a sub-branch of the system that only those water contractors taking service from that sub-branch need approve the alternative allocation procedure allowed by this section.

Section 4.14 – Watershed Planning and Restoration Charges

In the course of discussing Section 4.14, Agency presented data showing historic watershed planning and restoration costs and funding sources back to FY 1995 (Attachment C) and projected charges for the next three years (Attachment D) for the new charges suggested in the proposed Restructured Agreement for Water Supply. After review, the parties requested information on the total Watershed Planning and Restoration costs and expected funding sources projected for the next three years – including a breakout of Agency General Fund income and spending.

Follow-up Actions:

Follow-up actions decided by consensus of the group were:

- Preparation of comparison of draft Restructured with “list of 56” issues/concerns/suggestions obtained as result of public hearing (Nelson).
- Further expansion of information on Watershed Planning and Restoration Costs by Agency – namely estimate of total costs predicted for next several years and breakdown showing expected funding sources (Russian River Projects Fund, Agency Gen. Fund, other Agency enterprise funds (flood control, waste water disposal, recreation), Recycled Water Fund, Watershed Planning and Restoration Fund, grants/contributions, etc.) (Agency)
- Meetings w. Forestville WD (Agency and small group of Water Contractors)
- Second Round of Meetings between Agency and Individual Water Contractors to obtain feedback on Draft 2 of the Restructured Water Supply Agreement. (Agency and all parties).
- Follow-thru on other tasks listed on Attachment B (see Attachment B for responsible party).

Next Restructured Agreement Negotiation Session:

Time and Date: 9:00 AM-12:00 PM, April 26, 2004

Place: Santa Rosa's Laguna Treatment Plant

Mr. Nelson reminded MOU group that next meeting on MOU is set to follow the next regular WAC meeting set for April 5, 2004.

Attachments:

- A. List of Attendees, Mar. 22, 2004 Negotiation Session
- B. Recap of Tentatively Agreed Upon Actions and Resulting Changes to Language
Contained in Draft 1 of the Restructured Water Supply Agreement
- C. Historic Watershed Planning and Restoration Costs and Funding Sources
- D. Projected New Charges in the Restructured Agreement for Water Supply

Attachment A

Water Advisory Committee Negotiation Meeting Short Minutes For March 22, 2004

Attendees: Miles Ferris, City of Santa Rosa
Virginia Porter, City of Santa Rosa
Mike Martini, City of Santa Rosa
Terry Stubbings, City of Cotati
Janet Orchard, City of Cotati
Toni Bertolero, City of Cotati
Chris DeGabriele, North Marin Water District
Dennis J. Rodoni, North Marin Water District
Syed Rizvi, North Marin Water District
Randy Poole, Sonoma County Water Agency
Pam Jeane, Sonoma County Water Agency
Mike Healy, City of Petaluma
Steve Simmons, City of Petaluma
Mike Bierman, City of Petaluma
Pamela Torliatt, City of Petaluma
Mike Bon, City of Petaluma
Mike Fuson, City of Sonoma
Al Bandur, City of Sonoma
Lee Harry, Valley of the Moon Water District
George Roberts, Forestville Water District
Ron Theisen, Marin Municipal Water District
Darrin Jenkins, City of Rohnert Park
Paul Berlandt, Town of Windsor
Matt Mullan, Town of Windsor
John Nelson, JONWRM

Public Attendees: John King, Penngrove
HR Downs, Owl Foundation
Fred Soares Southwest Neighborhood Alliance
Bob Anderson, United Winegrowers
Tom Yarish, Friends of the Esteros